

## SENATE BILL No. 468

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 5-10-8-2.6.

**Synopsis:** Group insurance for township employees. Allows a township to elect to provide coverage for township employees under a group insurance program offered to county employees by the county in which the township is located.

**Effective:** July 1, 2003.

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**Young R Michael**

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January 21, 2003, read first time and referred to Committee on Pensions and Labor.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

## SENATE BILL No. 468

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-10-8-2.6, AS AMENDED BY P.L.286-2001,
- 2 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 3 JULY 1, 2003]: Sec. 2.6. (a) This section applies only to local unit
- 4 public employers and their employees. This section does not apply to
- 5 public safety employees, surviving spouses, and dependents covered by
- 6 section 2.2 of this chapter.
- 7 (b) A public employer may provide programs of group insurance for
- 8 its employees and retired employees. The public employer may,
- 9 however, exclude part-time employees and persons who provide
- 10 services to the unit under contract from any group insurance coverage
- 11 that the public employer provides to the employer's full-time
- 12 employees. A public employer may provide programs of group health
- 13 insurance under this section through one (1) of the following methods:
- 14 (1) By purchasing policies of group insurance.
- 15 (2) By establishing self-insurance programs.
- 16 (3) By electing to participate in the local unit group of local units
- 17 that offer the state employee health plan under section 6.6 of this



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chapter.

**(4) If the public employer is a township, by electing to join a group insurance program offered to county employees by the county in which the township is located.**

A public employer may provide programs of group insurance other than group health insurance under this section by purchasing policies of group insurance and by establishing self-insurance programs. However, the establishment of a self-insurance program is subject to the approval of the unit's fiscal body.

(c) A public employer may pay a part of the cost of group insurance, but shall pay a part of the cost of group life insurance for local employees. A public employer may pay, as supplemental wages, an amount equal to the deductible portion of group health insurance as long as payment of the supplemental wages will not result in the payment of the total cost of the insurance by the public employer.

(d) An insurance contract for local employees under this section may not be canceled by the public employer during the policy term of the contract.

(e) After June 30, 1986, a public employer shall provide a group health insurance program under subsection (g) to each retired employee:

(1) whose retirement date is:

(A) after May 31, 1986, for a retired employee who was a teacher (as defined in IC 20-6.1-1-8) for a school corporation; or

(B) after June 30, 1986, for a retired employee not covered by clause (A);

(2) who will have reached fifty-five (55) years of age on or before the employee's retirement date but who will not be eligible on that date for Medicare coverage as prescribed by 42 U.S.C. 1395 et seq.;

(3) who will have completed twenty (20) years of creditable employment with a public employer on or before the employee's retirement date, ten (10) years of which must have been completed immediately preceding the retirement date; and

(4) who will have completed at least fifteen (15) years of participation in the retirement plan of which the employee is a member on or before the employee's retirement date.

(f) A group health insurance program required by subsection (e) must be equal in coverage to that offered active employees and must permit the retired employee to participate if the retired employee pays an amount equal to the total of the employer's and the employee's

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1 premiums for the group health insurance for an active employee and if  
 2 the employee, within ninety (90) days after the employee's retirement  
 3 date files a written request with the employer for insurance coverage.  
 4 However, the employer may elect to pay any part of the retired  
 5 employee's premiums.

6 (g) A retired employee's eligibility to continue insurance under  
 7 subsection (e) ends when the employee becomes eligible for Medicare  
 8 coverage as prescribed by 42 U.S.C. 1395 et seq., or when the  
 9 employer terminates the health insurance program. A retired employee  
 10 who is eligible for insurance coverage under subsection (e) may elect  
 11 to have the employee's spouse covered under the health insurance  
 12 program at the time the employee retires. If a retired employee's spouse  
 13 pays the amount the retired employee would have been required to pay  
 14 for coverage selected by the spouse, the spouse's subsequent eligibility  
 15 to continue insurance under this section is not affected by the death of  
 16 the retired employee. The surviving spouse's eligibility ends on the  
 17 earliest of the following:

18 (1) When the spouse becomes eligible for Medicare coverage as  
 19 prescribed by 42 U.S.C. 1395 et seq.

20 (2) When the employer terminates the health insurance program.

21 (3) Two (2) years after the date of the employee's death.

22 (4) The date of the spouse's remarriage.

23 (h) This subsection does not apply to an employee who is entitled  
 24 to group insurance coverage under IC 20-6.1-6-1(c). An employee who  
 25 is on leave without pay is entitled to participate for ninety (90) days in  
 26 any group health insurance program maintained by the public employer  
 27 for active employees if the employee pays an amount equal to the total  
 28 of the employer's and the employee's premiums for the insurance.  
 29 However, the employer may pay all or part of the employer's premium  
 30 for the insurance.

31 (i) A public employer may provide group health insurance for  
 32 retired employees or their spouses not covered by subsections (e)  
 33 through (g) and may provide group health insurance that contains  
 34 provisions more favorable to retired employees and their spouses than  
 35 required by subsections (e) through (g). A public employer may  
 36 provide group health insurance to an employee who is on leave without  
 37 pay for a longer period than required by subsection (h), and may  
 38 continue to pay all or a part of the employer's premium for the  
 39 insurance while the employee is on leave without pay.

40 **(j) If a township elects to join a county group insurance**  
 41 **program under subsection (b)(4), the township and each insured**  
 42 **township employee shall pay, in a proportion determined by the**

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1 township, the same total insurance premium that is charged for  
2 each insured county employee. In addition, the township shall pay  
3 any additional cost to the county as a result of providing the county  
4 group insurance program to the township employees. However, the  
5 county may elect to pay the public employer's share of the  
6 premium for the township employees.

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